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Ippolito Christon & Co.

1401 Peachtree Street, N.E. • Suite 500 • Atlanta, Georgia 30309 404 892-4222

August 21, 2003

Attn: TTB Notice No. 4
Chief, Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
P.O. Box 50221
Washington, D.C. 20091-0221

Dear Sir or Madam:

Ippolito Christon & Co. supports the proposed rule issued last March by the Tax and Trade Bureau (TTB), outlining the alcohol content requirements for flavored malt beverages (FMB) to be classified as beer. TTB proposes that for an FMB to be classified as beer, its alcohol content from distilled alcohol cannot exceed 0.5%.

Beer is regulated and taxed differently than other alcohol beverages. The TTB proposed rule is consistent with the historical interpretation of what constitutes beer and other malt beverages. The regulatory treatment of beer is based on its production process. Adoption of the TTB "0.5 by volume standard" would ensure the integrity of beer and brewing process.

I believe that we should have a consistent regulatory policy. This proposed rule would help maintain an orderly marketplace and avoid costly and confusing disruptions in state licensing, taxation and distribution policies.

Equating beer and beverages that derive a majority of their alcohol content from distilled spirits could weaken the distinctions between beer and products with higher alcohol content. These distinctions impact state and federal policies regarding the regulation and taxation of beer and other alcohol beverages. The 0.5% standard will ensure that the integrity of beer remains.

For all the reasons noted above, Ippolito Christon & Co. encourages the TTB to give final approval to the proposed 0.5% standard on FMBs.

Sincerely,

Andrew S. Christon
President

cc: Ugo F. Ippolito C:\I C\Letters\TTB 8-20-03.doc

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